United States Court of Appeals

for the Second Circuit

PETITION FOR REHEARING EN BANC

ORIGINAL

74-2139

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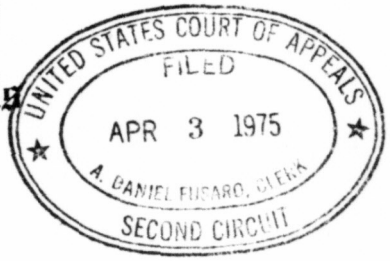
IN THE

United States Court of Appeals

FOR THE SECOND CIRCUIT



Appeal No. 74—2139

HYMAN KRAMER, doing business as
HY KRAMER ENTERPRISES,

Plaintiff-Appellant,

v.

DURALITE COMPANY, INC., and G & A MACHINE WORKS, INC.,

Defendants-Appellees.

ON APPEAL FROM THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

PETITION FOR REHEARING *EN BANC*

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4

TABLE OF CONTENTS

TABLE OF AUTHORITIES

Cases Cited

Constitution of the United States

Statutes

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———— o ————

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PETITION FOR REHEARING EN BANC

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TO THE HONORABLE JUDGES OF THE UNITED STATES
COURT OF APPEALS FOR THE SECOND CIRCUIT:

Hyman Kramer, the Plaintiff-Appellant above named, presents this, his petition for a rehearing in the above-entitled cause, and, in support thereof, respectfully shows:

A.

THIS COURT HAS, IN THE OPINION OF PETITIONER, OVERLOOKED OR MISAPPRENDED THE FOLLOWING POINTS OF LAW OR FACT:

POINT I:

Contrary to the express provisions of Rule 9(b), F.R. Civ. Proc., to the effect that circumstances alleged to constitute fraud must be pleaded with particularity, the pleadings herein contained no notice to Kramer that he might be accused of, found guilty of and punished for having lied to the Patent Office when he swore that he was the inventor of the patented subject matter. The actual pleading of fraud, as an affirmative defense and counter-claim, was, in fact, misleading as well as unparticularized in that it charged only concealment from or non-disclosure to the Patent Office of known prior art (App. pp. 23a-25a). The conduct of this civil proceeding contrary to Rule 9(b) has been particularly critical here because Kramer, in effect, stands accused, convicted and punished for a heinous crime, to wit: perjury before the Patent Office when he swore that he believed that he was the inventor of the patented subject matter all without formal indictment or particularized civil pleading as required by law. Kramer was, "convicted", therefore, without due process of law as guaranteed by the Fifth and Sixth Amendments to the Constitution of the United States.

POINT II:

The legal conclusion by the Trial Court that Kramer was not the inventor or creator of the patented subject matter and lied when he said he was (App. pp. 142a, 143a) is the sole conclusion of law contained in the Trial Court's Opinion and Order which, if supported by the Trial Court's express findings of fact and if legally correct, could support the Trial Court's ultimate determination, in its Opinion and Order and in its Judgment, that this case is "exceptional" within the meaning of 35 U.S.C. § 285 and the resultant discretionary award of attorney fees on that basis. Since all of the scant findings of fact pertinent to this issue contained in the Trial Court's decision do not support its aforementioned critical and erroneous conclusion of law and, in fact, support the opposite conclusion, to wit: that Kramer was the sole inventor or creator, was, at the very least, an important coinventor or cocreator and was certainly entitled to a reasonable belief that he was the inventor or creator of the patented subject matter, this Court's affirmance without decision can only indicate that this Court either: (1) has affirmed the Trial Court's clearly erroneous conclusion of law based upon the Trial Court's findings of contrary facts, or (2) has relieved the Trial Court of its obligation imposed by Rule 52(a), F. R. Civ. Proc., to specially find facts and separately state conclusions of law thereon justifying its judgment. In either case, this Court has seriously erred, and

without an opinion, Kramer is unable to ascertain, for purposes of this petition and further procedural relief, whether this Court has erred on the question of the law of inventorship or has, in an excessive sense of economy of judicial time, simply compounded the denial of Kramer's constitutional rights to due process of law initiated by the Trial Court.

POINT III.

Although, immediately upon becoming advised that the Trial Court's decision as to the "exceptional case" and counsel fee portion of its judgment herein had been founded upon a conclusion of law with respect to inventorship which was clearly erroneous based even upon the Trial Court's own scant express findings of fact required by Rule 52(a), F. R. Civ. Proc., Kramer forthwith fully briefed the inventorship error in a detailed memorandum in support of a motion, pursuant to Rule 52(b), F. R. Civ. Proc., to amend and supplement the Trial Court's findings of fact and conclusions of law, the Trial Court simply denied the motion "in all respects" the day following its submission without opinion and without waiting even to consider such response or cross-motion as might have been made by G & A.

Accordingly, Kramer again fully briefed the erroneous (on its face) inventorship issue in his brief on appeal to this Court. But now, again Kramer is confronted by this Court's affirmance, without opinion, of the Trial Court's erroneous conclusion of law.

Surely a civil litigant who is, for the first time, accused in writing, with some particularity but erroneously as a matter of law, of conduct amounting to a crime in the Trial Court's Opinion and Order deserves not only a right to test the error of the accusation against the applicable law fully briefed, the scant express findings of pertinent fact in the Trial Court's Opinion and Order, the facts in the record as testified to by Defendant-Appellee's own witness and the admission contained in Defendant-Appellee's brief, but also deserves at least one opinion of a court on some level with respect to the error complained of. Kramer understandably remains unconvinced that any court has ever given appropriate consideration to the inventorship issue in this case or has ruled on this issue with all of the uncontroverted facts and established law before it.

B.

ARGUMENT

I.

KRAMER HAS BEEN ACCUSED, CONVICTED, SENTENCED AND PUNISHED, WITHOUT DUE PROCESS OF LAW, FOR A CRIME WHICH HE DIDN'T COMMIT, AND THIS COURT HAS AFFIRMED THE CONVICTION WITHOUT OPINION

Unless this petition is granted, this Court, by affirming the Trial Court's Opinion and Order and Judgment without opinion, will have contributed to a gross miscarriage of justice. Kramer stands convicted on the record of a heinous crime which he didn't commit, to wit: perjury before the

Patent Office and the Trial Court when he swore that he believed that he was the inventor of the patent subject matter (App., pp. 142a, 143a, 271a). As a result of this conviction of a crime, Kramer has been sentenced to pay a $17,000 fine (to G & A, App., p. 264a) and has been stripped of a substantial portion of his civil rights. His approximately twenty-five other patents (See Record, Exh. 3A) stand perpetually tainted and defamed in the eyes of any other tribunal before whom he may ever seek relief, as he did here against admitted willful infringers, for infringement of any of them pursuant to his legislated rights under Title 35 U.S.C. § 281.

The practical effect of this Court's decision without opinion is not only to affirm the decision of the Trial Court with respect to invalidity of the patent in suit and the Trial Court's award of attorney fees, but to leave, also, an individual hanging convicted of a crime, erroneously as a matter of law, without due process, and without any recourse to clear his name. For this reason alone, this Court should, in a detailed opinion, have decided and reversed the inventorship-fraud conclusion of the Trial Court regardless of its decision as to the other issues on appeal.

Moreover, it should be manifestly apparent to this Court, from even a casual reading of pages 3-20 of Kramer's main brief on appeal, that the Trial Court concluded, erroneously as a matter of law, that Kramer was not entitled to a reasonable belief that he was the inventor or creator of the

patented subject matter. The Trial Court's opinion on this issue is legally erroneous on its face (Kramer's main brief, pp. 6-7, 15). The Trial Court's opinion on this issue is also legally contrary to the testimony of G & A's witness, Gonsalves, whom the Trial Court must necessarily have believed (Kramer's main brief, pp. 15-18). Moreover, Kramer's "inventorship" was admitted by G & A (G & A's brief, p. 20):

> "Although Gonsalves said that Kramer directed that the critical angle be selected, directed that interlock take place, and much more . . ."

In the face of all this, how could this Court have found, contrary to its decision in Indiana General Corp. v. Krystinel Corp., 421 F. 2d 1023, 1033-1034 (2d Cir. 1970), cert. denied, 398 U.S. 928 (1970), that Kramer could not reasonably have believed that he was the inventor or creator of the patented subject matter when he so swore to the Patent Office?

Nor did the Trial Court's finding of Kramer's criminality meet the standard of proof recently established by this very Court in the highly analogous case of Barr Rubber Products Company v. Sun Rubber Company, 425 F. 2d 1114, 1120 (2d. Cir. 1970), cert. denied, 400 U.S. 878 (1970). In that decision, this Court was able to "assume from the lower court's silence that it applied" a less than adequate standard of proof (Ibid.). This Court additionally found that "Logic and reason demand that no lower standard of proof [than "the usual presumption of innocence"] be applied in assessing a charge of perjury,

and especially so when a finding that material evidence has been falsified permits the allowance of an adversary's attorney fees not otherwise recoverable." (Id. at 1120-1121). Note especially this Court's tender concern for the collateral effects of the Trial Court's decision in Barr as set forth in the footnote on page 1121 of the aforementioned decision.

> "Further, the potential damaging impact the decision below is likely to have on the business and social reputations of the witnesses is another substantial hardship that Sun and its people have been made to endure."

Whey didn't this Court treat Kramer like a Sun? Why, indeed, did this Court single out Kramer to be convicted on an erroneous conclusion of law of a crime which he didn't commit? Why did this Court, upon an over-technical view of the issues presented on appeal and in an excessively restrictive exercise of economy of judicial time, condemn Kramer forever without opinion by either court and without recourse to clear his name? Kramer was not and is not a formally indicted bank robber or narcotics peddler who availed himself of a jury and is bound by its verdict if supportable on any grounds. He is, rather a civil litigant, a patentee who had the temerity to sue, before a court without jury, two admitted willful infringers for infringement of his patent, a right given him by the Patent Laws, Title 35 U.S.C. § 281. As such, he is entitled, pursuant to Rule 52(a), F. R. Civ. Proc., to

to an opinion by the court finding the supporting facts specially and separately stating the court's conclusions of law thereon.

It is respectfully submitted that no court could, taking into account the scant pertinent findings of fact contained in the Trial Court's Opinion and Order, or the facts as established by the testimony of G & A's own witness, Gonsalves, or the admission of G & A's counsel, let alone all three, justify the erroneous legal conclusion that Kramer "was not the creator [or inventor] of the design or device and lied when he said he was."

II.

WITHOUT THE ERRONEOUS CONCLUSION OF LAW TO THE EFFECT THAT KRAMER WAS NOT THE INVENTOR OR CREATOR OF THE PATENTED SUBJECT MATTER, THERE IS NO BASIS OR SUPPORT FOR THE TRIAL COURT'S AWARD OF ATTORNEY FEES

Title 35 U.S.C. § 285 provides that:

> "The Court in exceptional cases may award reasonable attorney fees to the prevailing party."

The award of attorney fees is discretionary with the court depending upon how unconscionable the exceptional nature of the case is. Q-Panel Co. v. Newfield, 482 F. 2d 210, 211 (10th Cir. 1973). But that the case is "exceptional" must, by the very language of 35 U.S.C. § 285, be supported by sufficient and correct findings of fact and conclusions of law as are required expressly by Rule 52a, F. R. Civ. Proc.

Preceding the "exceptional" conclusion with the words, "I find", does not convert this ultimate determination of a Trial Court by judicial fiat from a conclusion of law to a finding of fact. It raises no issues of credibility. Rather, the "exceptional" conclusion itself focuses appellate review upon the pertinent findings of fact and, especially, the subordinate conclusions of law which are advanced in the Trial Court's opinion to support it.

Here the inventorship-fraud conclusion of the Trial Court, which is the only conclusion of law advanced by the Trial Court which might support its "exceptional" determination, is clearly erroneous and even contrary to the scant supporting express findings of fact in the Trial Court's Opinion and Order (App. 142a, 143a). With appropriate and legally correct review of the inventorship-fraud issue, the counsel fee award must necessarily also fall.

Nor should this Court be misled by the Trial Court's inexperienced statement that "this case presents a once-in-a-lifetime situation wherein the defendant not only argues that, if there is an invention, someone other than the patent owner invented it." Inventorship is, afterall, one of the most difficult and common questions encountered in the patent law. See, for example, Mueller Brass Co. v. Reading Industries, Inc., 352 F. Supp. 1357, 1372 (E.D. Pa. 1972), aff'd, 487 F. 2d 1395 (3rd Cir. 1973):

"The exact parameters of what constitutes joint inventorship are quite difficult to define. It is one of the muddiest concepts in the muddy metaphysics of the patent law." (See also the treatise passages cited and quoted at pp. 11-12 of Kramer's main brief.)

III.

THIS CASE, AT THE VERY LEAST, REQUIRES AN OPINION FROM THIS COURT

One of the inherent difficulties in challenging a decision of a court without opinion is that the litigant's counsel must necessarily assume the decisional process of the court.

In the instant case, Kramer's counsel cannot reasonably assume that, in the face of Kramer's carefully researched main brief, this Court has affirmed without opinion the Trial Court's clearly erroneous conclusion of law to the effect that Kramer deliberately lied to the Patent Office and the Trial Court when he swore that he believed that he was the inventor or creator of the patented subject matter. To do so would be to assume that this Court, without opinion, has deigned to reverse the time-honored decisions of the Supreme Court as to inventorship in Agawam Co. v. Jordan, 74 U.S. 583, 602 (1869), and Minerals Separation, Ltd., v. Hyde, 242 U.S. 261, 270 (1961), and this Court's own decision in Indiana General Corp.

v. Krystinal Corp., 421 F. 2d 1023 (2d Cir. 1970), cert. denied, 398 U.S. 928 (1970).

The posture of this case now is that the Trial Court quite evidently committed error on the face of its Opinion and Order. Responding to this clear error, Kramer has confronted both the Trial Court and this Court with a detailed argument of law particularly pointing out the error. Neither court has responded with an opinion to this argument,

1. An argument which is fully supported by the meagre findings of fact contained in the Trial Court's Opinion and Order,
2. An argument which is fully supported by the testimony of G & A's own witness whom the Trial Court must have believed,
3. An argument which is fully supported by admissions of fact in G & A's brief,
4. An argument which, therefore, raises no issues of fact or credibility issues, and
5. An argument in which Kramer's position is fully supported by the established law.

Yet, neither court has given any indication by opinion that it ever considered and rejected or overcame Kramer's argument nor has any court caused any findings of fact to be made in any opinion, as required by Rule 52(a), which might support the Trial Court's apparently erroneous conclusion of exceptional-

ity and award of attorney fees.

This case cries out for an opinion to clarify the issues raised by the briefs of the parties and never resolved by any court in a written opinion whether the result be affirmance, reversal or remand. Without opinion, this Court's decision will appear to be in conflict with its own decisions in Indiana General, supra, and Barr, supra. Further, this Court's decision without opinion may well appear to be in conflict with either the decisions of the Supreme Court or the Federal Rules of Civil Procedure. The issue involved is further important because it involves the degree of due process to be afforded civil litigants accused of a crime in the course of a civil proceeding. Plaintiff-Appellant respectfully suggests an en banc rehearing.

C.

CONCLUSION

1. This Court should decide this case in a detailed opinion.

2. On the basis of such opinion, this Court should reverse the Trial Court's conclusion in its Opinion and Order that Kramer was not the inventor or creator of the patented subject matter and lied when he said he was.

3. This Court should either reverse the award of attorney fees in its entirety or at the very least remand the case for further proceedings consistent with its opinion as aforesaid.

Respectfully submitted,

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74-2139

United States Court of Appeals
for the Second Circuit

Hyman Kramer, doing business as
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Plaintiff-Appellant,

v.

Duralite Company, Inc., and G&A Machine Works, Inc.,

Defendants-Appellees.

AFFIDAVIT OF SERVICE

STATE OF NEW YORK,
COUNTY OF NEW YORK, ss.:

Juan A. Delgado, being duly sworn, deposes and says that he is over the age of 18 years, is not a party to the action, and resides at 596 Riverside Drive New York, New York
That on April 3, 1975, he served 3 copies of Petition
on

Peter L. Berger, Esq.,
Rubens & Berger
Attorneys for Defendant-Appellee
535 Fifth Avenue
New York

by delivering to and leaving same with a proper person or persons in charge of the office or offices at the above address or addresses during the usual business hours of said day.

Juan A. Delgado

Sworn to before me this
3rd day of April, 1975

John V. D'Esposito

JOHN V. D'ESPOSITO
Notary Public, State of New York
No. 30-0932350
Qualified in Nassau County
Commission Expires March 30, 1977